

# Computer Business Sciences, Inc.

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REC'D TN  
REGULATORY AUTH.  
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OFFICE OF THE  
EXECUTIVE SECRETARY

August 9, 1999

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

9900440

RE: In the matter of the Application of Computer Business Sciences, Inc. For a Certificate of Public Convenience and Necessity to Offer Facilities-Based Local Exchange and Intrastate, Interexchange Telecommunications Services.

The following revised Direct Testimony is attached as a supplement to the above-referenced application. The only change to the document was in item 14 and of course, the signature page, which was resigned and renotarized.

Should you have any further questions or need further information, please do not hesitate to contact me at (718) 520-6500 X149.

Respectfully submitted,



Deborah S. Arnott  
Regulatory Administrator

**DIRECT TESTIMONY OF DEBORAH S. ARNOTT**

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CLERK OF THE  
EXECUTIVE SECRETARY

1. Q. Please state your name and business address.

A. My name is Deborah S. Arnott. My business address is Computer Business Sciences, Inc., 80-02 Kew Gardens Road, Suite 5000, Kew Gardens, NY 11415.

2. Q. What is your position with Applicant?

A. I am the Regulatory Administrator of Computer Business Solutions, Inc. (hereinafter CBS).

3. Q. What are your principal responsibilities with Applicant?

A. My principal responsibilities with CBS include responsibility for the day to day operations of CBS. I am also responsible for ensuring that CBS meets all regulatory and legal requirements.

4. Q. Please summarize your educational background.

A. I have a B.M. degree from Ohio University and an M.M. degree from the Manhattan School of Music.

5. Q. Please describe your early professional and business experiences.

A. Before joining Computer Business Sciences, Inc. as Regulatory Administrator in 1997, I worked as Compliance and Marketing Administrator for over eight years for Chase Manhattan Futures Corporation in Manhattan, where I handled the regulatory and marketing issues with regard to the Private Placement Fund. Previous to my work for Chase, I have ten years of administrative experience with other firms, including Mitsubishi Corporation; Republic, Hogg, Robinson of New York; and Colbert Artists' Management, Inc.

6. Q. What is the purpose of your testimony in this proceeding?

A. I am offering testimony in support of CBS' application for a Certificate of Public Convenience and Necessity to provide local exchange services in the LATA exchanges currently served by Bell South in the areas of Memphis and Nashville, Tennessee, as well as Interexchange Services.

7. Q. Please summarize the main subject areas addressed in your testimony.

A. My testimony focuses on the following areas which may be of concern to the Tennessee Regulatory Authority, most of which have been addressed in our initial application.

- (a) A description of CBS' technical, managerial, and financial qualifications to provide telecommunications services in Tennessee
- (b) The benefits to the public and the industry, and a description of the general types of services CBS proposes to offer in Tennessee; and
- (c) An explanation of CBS' compliance with applicable regulations pertaining to certified communicatively impaired (hearing and voice impaired) telecommunications service and 9-1-1 emergency telecommunications service.

8. Can you describe the technical aspects and services of the applicant's proposal in its application?

A. Yes. CBS plans to initially offer local exchange services to customers located in the Greater Nashville and Memphis Areas. Services shall include, but will not be limited to:

- (i) Local exchange access services to single-line and multi-line customers at various points throughout the State of Tennessee.
- (ii) Local exchange usage services to customers of CBS' end-use access services; and
- (iii) Switched carrier access services to other common carriers.

These services will be offered through dial-tone access to the switched public telecommunications network and are likely to be equipped with various additional features and functions. Specifically, CBS intends to initiate local service by offering the following local exchange access services under a competitive tariff classification:

- (i) basic lines – two way local lines and trunks
- (ii) dual party relay service
- (iii) 9-1-1 Emergency Services; and
- (iv) directory assistance and operator assisted calls

9. Q. Can you please elaborate on the access and routing of these services?

A. Yes. CBS intends to offer switched carrier access for telecommunications traffic between CBS customers and users of other telecommunications systems. This would include terminating access to enable other common carriers to terminate traffic through end-user

access services offered by CBS. Also, originating access would be included to allow CBS customers to access the interLATA, interstate, and international calling services. All of the services will be ubiquitous and seamless to users of the CBS system. Also, CBS intends to offer bundled services on-net to small business and residential customers, which will include local exchange dial tone, long distance, high speed internet, XDSL, and soon multimedia capabilities such as video-conferencing and cable TV. CBS is purchasing an OC3 Ring which will be brought to an outside plant, which will facilitate our abilities to provide interexchange services as well as local exchange services.

10. Q. Does Applicant possess sufficient managerial and technical resources and qualifications to provide all of the services requested in its Application to provide local basic exchange services in Tennessee?

A. Yes. The senior management at CBS have great depth in the telecommunications industry and offer extensive technical and managerial expertise to CBS pertaining to the telecommunications business. I believe that CBS has the technical and managerial qualifications to offer local exchange telecommunications services in Bell South Tennessee's service territory.

11. Q. Does Applicant possess the requisite financial qualifications and resources to offer telecommunications services in Tennessee?

A. Yes. In evidence of CBS' financial ability to provide proposed services, we have submitted recent financial statements in our initial application as well as a Guarantee Letter by its Parent Company, Fidelity Holdings, Inc., to provide unconditional funding for this project for the next 3 years. CBS intends to use existing sales forces as well as hiring a sales staff in the State of Tennessee to market the proposed services.

12. Q. What facilities will CBS use to provide the proposed telecommunications services in Tennessee?

A. CBS plans to provide local exchange services through a combination of co-location facilities with Bell South and CBS' own facilities.

Q. Is Applicant's Application consistent with serving the public interest in the provision of telecommunications customers?

A. Absolutely. Granting this certificate is in the public interest because residential and business consumers of telecommunications services in the Tennessee service territories will receive increased choice, improved quality of service, and greater opportunities to obtain improved technology in their homes and business. Market incentives for new and old telecommunications providers in Tennessee will be

greatly improved through an increase in the diversity of suppliers and competition within the local exchange telecommunications market.

Consistent with the 's intent to aid in the development of a competitive telecommunications environment in Tennessee, the granting of a certificate of public convenience and necessity to provide local exchange and interexchange service will offer increased efficiency to the State's telecommunications infrastructure through greater reliability of services and an increase in competitive choices.

13. Q. Will Applicant handle 9-1-1 emergency telecommunications service traffic in the affected areas pursuant to TRA regulations?

A. Yes. CBS will negotiate arrangements with Bell South to route the traffic through the LEC's existing tandem switches serving each Public Safety Answering Point ("PSAP"). Upon CBS obtaining additional facilities, CBS will route 9-1-1 traffic through the local switches so that the traffic is routed in the same manner as the incumbent LEC's 9-1-1 traffic. CBS intends to comply with all the applicable laws and regulations. Moreover, Automatic Number Identification ("ANI") and Automatic Line Information ("ALI") will be routed along with the call. Also, CBS will be able to route 9-1-1 traffic to one or more PSAP through direct trunks that CBS plans to install. Overall, 9-1-1 traffic will be routed and will meet all Authority requirements. All customers



will receive the same delivery of ANI and ALI and the design of the 9-1-1 system standards that exist in Bell South's system. Finally, CBS intends to develop procedures to secure the accurate transition of collection and disbursement of 9-1-1 surcharges and network changes that are transparent.

14. Q. Will Applicant provide basic local exchange and toll services in keeping with the Authority's Rules.

A. Yes. CBS, in compliance of the Authority's Rules, as a provide of basic local exchange service, will offer additional services to its customers including: lifeline service; services for the deaf, hard of hearing, speech-impaired and handicapped persons; intraNPA directory assistance service, free telephone directories, free 900 prefix calling blocking; basic local exchange service options for residential customers, including a minimum of 400 calls for a flat monthly rate; and emergency or 9-1-1 service.

15. Q. Does Applicant intend to follow the requirements of the TRA pertaining to certified communicatively impaired telecommunications services?

A. Yes. CBS intends to implement the requirements of the TRA pertaining to certified communicatively impaired telecommunications services.

16. Q. Does Applicant intend to comply with the Minimum Telephone Service Standards set forth by the TRA?

A. Yes. CBS intends to provide the services described above in compliance with the TRA standards and applicable regulations.

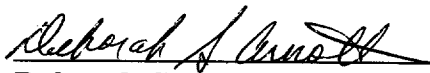
Moreover, the competitive nature of the telecommunications industry in Tennessee today demands that telephone service be offered in a superior quality to that of our competitors.

17. Q. Will Applicant comply with all applicable rules, laws and regulations of the TRA and the FCC?

A. Yes. CBS will comply with all applicable rules, laws and regulations of the TRA and the FCC.

18. Q. Does this conclude your direct testimony?

A. Yes it does.

  
Deborah S. Arnott  
Regulatory Administrator

Subscribed and sworn to before  
Me this 9<sup>th</sup> day of August, 1999



Notary Public

Queens County

My Authority expires: 4/19/2001

**MICHAEL J. ROBINSON**  
Notary Public, State of New York  
No. 02RO8023380  
Qualified in Nassau County  
Term Expires April 19, 2001